

In re:

BERNSOHN & FETNER LLC,

Debtor.

Chapter 11

Case No. 17-23707 (RDD)

**MONTHLY FEE STATEMENT OF VERNON CONSULTING, INC., AS THE  
PROPOSED FINANCIAL ADVISOR AND ACCOUNTANT, TO THE DEBTOR  
FOR THE PERIOD OF DECEMBER 15, 2017 THROUGH FEBRUARY 28, 2018**

Pursuant to section 327, 330 and 331 of chapter 11 of title 11 of the United States Code, Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), Rule 2016-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York, the Proposed Order Authorizing the Retention of Vernon Consulting, Inc. as the Financial Advisor and Accountant to Debtor effective to the December 15, 2018, and the Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals, dated January 17, 2018 [Docket No. 35], (the “Interim Compensation Order”), Vernon Consulting, Inc. (“VCI”), proposed financial advisor and accountant the above-captioned debtor and debtor in possession (the “Debtor”) hereby submits this *Monthly Fee Statement of Vernon Consulting, Inc, as the he Proposed Financial Advisor and Account, to the Debtor for the period of December 15, 201, through and including February 28, 2018*, seeking compensation for 80% of its professional fees and reimbursement of its expenses for such Fee Period. <sup>1</sup>

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<sup>1</sup> An Application to Employ Vernon Consulting, Inc., was filed on January 10, 2018 [Dkt. #32]. After various changes were made at the request of the U.S. Trustee, an amended application was filed on notice of presentment on March 16, 2018 [Dkt. #46]. An order may be entered if no objections are filed prior to April 2, 2018 at 12 noon. In any event, no compensation will be paid to Vernon Consulting, Inc., unless and until the Court enters an order approving the retention of same.

Specifically, VCI seeks (i) interim allowance of \$24,787.50 for the reasonable and necessary professional services that VCI rendered to the Debtor during the Fee Period; (ii) compensation in the amount of \$19,830.00, which is 80% of the total amount of compensation sought for actual and necessary professional services rendered during the Fee Period (i.e.  $\$24,787.50 \times 80\% = \$19,830$ ), and (iii) the allowance and payment of \$399.34 for the actual and necessary expenses that VCI incurred in connection with such services during the Fee Period. VCI represents that Debtor has sufficient funds to pay this amount, and that VCI is holding no retainer to apply against the amounts due.

**Itemization of Services Rendered and Disbursements Incurred**

1. Attached hereto as **Exhibit A** is a schedule of VCI professionals, including the standard hourly billing rate for each employee who rendered services to the Debtor in connection with this chapter 11 case during the Fee Period and the title, hourly rate, aggregate hours worked and the amount of fees attributable to each professional.

2. Attached hereto as **Exhibit B** is a schedule for the Fee period setting forth the total amount of payment sought with respect to the expenses for which VCI is seeking payment in this Fee Statement. All of these disbursements comprise the requested sum for VCI's out-of-pocket expenses, which total \$399.34.

3. Attached hereto as **Exhibit C** are the records of VCI, which provide a daily summary of the time spent by each VCI professional during the Fee Period.

**Notice**

4. No trustee or examiner has been appointed in this case. Pursuant to the Interim Compensation Order, notice of this Fee Statement has been served upon: (a) the Debtor, 12 Van Houten Street, Upper Nyack, New York 10960, Attn. Steven Fetner; (b) the Office of the United

States Trustee for the Southern District of New York, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, New York 10014, Attn. Brian Masumoto, Esq.; (c) Counsel to Randall Bernsohn, Tannenbaum Helpen Syracuse & Hirschtritt LLP, 900 Third Avenue, New York, New York 10022, Attn. Richard W. Trotter, Esq.; (d) Debtor's Counsel, Mayerson & Hartheimer, PLLC, 845 Third Avenue, 11<sup>th</sup> Floor, New York, NY 10022, and (e) to the extent not listed herein, those parties requesting to be a Notice Party for the Monthly Fee Statements. VCI submits that, in light of the nature of the relief requested, no other or further notice need be given. Pursuant to the Interim Compensation Order, said parties have fourteen (14) days to review this Fee Statement and apprise VCI of any objection.

5. WHEREFORE, VCI, in connection with services rendered on behalf of the Debtor, respectfully requests (i) interim allowance of compensation for professional services rendered during the Fee Period, in the amount of \$24,787.50, and for expenses incurred in connection with such services, in the amount of \$399.34, (ii) payment in accordance with the procedures set forth in the Interim Compensations Order (*i.e.*, payment of 80% of the compensation sought in the amount of \$19,830) and payment of 100% of expenses incurred, in the amount of \$399.34.

New York, New York  
Dated: March 20, 2018

**VERNON CONSULTING, INC.**

**s/ Laura W. Patt**

Laura W. Patt, President

344 East 65<sup>th</sup> Street #3C

New York, NY 10065

Tel: (917) 822-7578

[laura@vernonconsulting.com](mailto:laura@vernonconsulting.com)

*Proposed Financial Advisor and  
Accountant for the Debtor*

## **EXHIBIT A**

| Vernon Consulting, Inc. Professionals |                            |                         |                          |                       |
|---------------------------------------|----------------------------|-------------------------|--------------------------|-----------------------|
| Professional                          | Employee Title             | Hourly<br>Billing Rate* | Total<br>Billed<br>Hours | Total<br>Compensation |
| Laura W. Patt                         | Managing Director          | \$ 400.00               | 78.7                     | \$ 23,807.50          |
| Rumbi Bwerinofa-Petrozzello           | Senior Managing Consultant | \$ 300.00               | 5.6                      | \$ 980.00             |

\* Tax Preparation is billed at \$175 per hour.

## **EXHIBIT B**

**EXHIBIT B**

Expense Report

Laura W. Patt

| Date                          | Description   |                         |
|-------------------------------|---|-------------------------|
| 01/29/18                      | 1099/1096 E-File Expense  | \$ 13.96                |
| 02/03/18                      | Tax Software - Federal/NY 1065/IT-204/NYC-204 2014, 2015,<br>2016, 2017 | 385.38                  |
| Total Expenses for Fee Period |   | <u><u>\$ 399.34</u></u> |

## **EXHIBIT C**

**Bernsohn & Fetner LLP**

Case No. 17-23707 RDD, New York Southern District

Vernon Consulting, Inc. - Proposed Financial Advisor and Accountant for the Debtor

Professionals: LWP- Laura W. Patt, Managing Director; RBP- Rumbi Bwerinofa-Petrozzello, Senior Managing Consultant

| <u>Date</u> | <u>-</u> | <u>Category</u>                | <u>Description of Work Performed</u>  | <u>Hours</u> | <u>Rate</u> | <u>Fee</u> |
|-------------|----------|--------------------------------|---|--------------|-------------|------------|
| 12/15/17    | LWP      | Business Operations            | Telephone call with D. Hartheimer regarding retention and Debtor's work plan                                  | 0.1          | \$ 400.00   | \$ 40.00   |
| 12/15/17    | LWP      | Employment/<br>Fee Application | Draft Employment Application, Declaration, Review for Conflicts.  | 0.6          | \$ 400.00   | 240.00     |
| 12/15/17    | LWP      | Employment/<br>Fee Application | Revised Employment Application, Declaration   | 0.2          | \$ 400.00   | 80.00      |
| 12/18/17    | LWP      | Business Operations            | Meeting with Debtor's Counsel: D. Hartheimer & S. Mayerson  | 1.5          | \$ 400.00   | 600.00     |
| 12/19/17    | LWP      | Case Administration            | Calls and Correspondence with Debtor's Counsel regarding case administration                                  | 0.2          | \$ 400.00   | 80.00      |
| 12/19/17    | LWP      | Business Operations            | Telephone call with D. Hartheimer regarding Debtor's current expenses, and bills received, including NYS Tax. | 0.3          | \$ 400.00   | 120.00     |
| 12/20/17    | LWP      | Case Administration            | Telephone call with D. Hartheimer regarding preparation of Schedules and SoFA.                                | 0.5          | \$ 400.00   | 200.00     |
| 12/20/17    | LWP      | Case Administration            | Preparation of the SoFA.  | 1.8          | \$ 400.00   | 720.00     |
| 12/21/17    | LWP      | Case Administration            | Gather and review information obtained for SoFA & Schedules preparation                                       | 1.2          | \$ 400.00   | 480.00     |
| 12/21/17    | LWP      | Business Operations            | Telephone calls and correspondence with S. Fetner   | 0.4          | \$ 400.00   | 160.00     |
| 12/21/17    | LWP      | Case Administration            | Telephone call with D. Hartheimer regarding: SoFA legal proceedings.  | 0.8          | \$ 400.00   | 320.00     |
| 12/21/17    | LWP      | Business Operations            | Telephone calls and correspondence with G. Greenberg, Signature Bank  | 0.2          | \$ 400.00   | 80.00      |
| 12/21/17    | LWP      | Case Administration            | Continued Preparation of the SoFA.  | 1.4          | \$ 400.00   | 560.00     |
| 12/22/17    | LWP      | Case Administration            | Telephone calls with D. Hartheimer preliminary review of Schedules and SoFA.                                  | 1.3          | \$ 400.00   | 520.00     |
| 12/22/17    | LWP      | Data Analysis                  | Preparation of payments/transfers to creditors and insider analysis.  | 1.8          | \$ 400.00   | 720.00     |
| 12/22/17    | LWP      | Case Administration            | Preparation and Revision of Schedule A/B.   | 0.9          | \$ 400.00   | 360.00     |
| 12/22/17    | LWP      | Case Administration            | Continued Preparation of the SoFA.  | 0.8          | \$ 400.00   | 320.00     |
| 12/26/17    | LWP      | Accounting/<br>Auditing        | Telephone call with Signature Bank: Gina - DIP Account  | 0.1          | \$ 400.00   | 40.00      |
| 12/26/17    | LWP      | Case Administration            | Meeting with D. Hartheimer and S. Mayerson to review and revise draft SoFA and Sch. A.                        | 2.4          | \$ 400.00   | 960.00     |
| 12/27/17    | LWP      | Case Administration            | Telephone calls with D. Hartheimer review and revision of Schedules and SoFA.                                 | 0.7          | \$ 400.00   | 280.00     |
| 12/29/17    | LWP      | Case Administration            | Telephone calls with D. Hartheimer additional review and revision of Schedules and SoFA.                      | 1.1          | \$ 400.00   | 440.00     |
| 01/02/18    | LWP      | Case Administration            | Telephone conference with D. Hartheimer and S. Fetner: in review of final draft of SoFA and Sch. A            | 1.5          | \$ 400.00   | 600.00     |
| 01/02/18    | LWP      | Case Administration            | Made final SoFA revisions   | 0.2          | \$ 400.00   | 80.00      |

| <u>Date</u> | <u>-</u> | <u>Category</u>                | <u>Description of Work Performed</u>   | <u>Hours</u> | <u>Rate</u> | <u>Fee</u> |
|-------------|----------|--------------------------------|--|--------------|-------------|------------|
| 01/03/18    | LWP      | Business Operations            | Telephone call with D. Hartheimer; correspondence with S. Fetner; re: tax return preparation   | 0.3          | \$ 400.00   | 120.00     |
| 01/09/18    | LWP      | Tax Issues                     | Meeting with S. Fetner, S. Koch, and M. Liu at Berdon NYC; in reference to Debtor Tax obligations.   | 1.1          | \$ 400.00   | 440.00     |
| 01/10/18    | LWP      | Reconstructive Accounting      | Telephone call with A. Grau regarding prior year accounting records access and practices   | 0.4          | \$ 400.00   | 160.00     |
| 01/10/18    | LWP      | Reconstructive Accounting      | Remote retrieval and analysis of accounting records from Debtor Computer   | 1.7          | \$ 400.00   | 680.00     |
| 01/10/18    | LWP      | Employment/<br>Fee Application | Submit Schedule/Exhibit D  | 0.2          | \$ 400.00   | 80.00      |
| 01/11/18    | LWP      | Tax Issues                     | Telephone calls and emails with S. Fetner regarding Accounting Software access and Debtor Tax obligations  | 0.5          | \$ 400.00   | 200.00     |
| 01/12/18    | LWP      | Case Administration            | Preparation of the December 2017 Monthly Operating Report.   | 1.8          | \$ 400.00   | 720.00     |
| 01/12/18    | LWP      | Business Operations            | Multiple phone calls to accounting software vendor to obtain access to Debtor's books and records. Phone calls and correspondence with D. Hartheimer and S. Fetner | 0.3          | \$ 400.00   | 120.00     |
| 01/12/18    | LWP      | Reconstructive Accounting      | Telephone calls and correspondence with DIP Bank   | 0.2          | \$ 400.00   | 80.00      |
| 01/12/18    | LWP      | Case Administration            | Telephone call with D. Hartheimer re: tax and monthly operating reports  | 0.9          | \$ 400.00   | 360.00     |
| 01/12/18    | LWP      | Case Administration            | Preparation of the December 2017 Monthly Operating Report.   | 2.3          | \$ 400.00   | 920.00     |
| 01/15/18    | LWP      | Business Operations            | Correspondence with S. Fetner, D. Hartheimer, S. Meyerson regarding pending Court filings and case status.   | 0.2          | \$ 400.00   | 80.00      |
| 01/16/18    | LWP      | Tax Issues                     | Telephone call with S. Fetner regarding tax filings.   | 0.5          | \$ 400.00   | 200.00     |
| 01/17/18    | LWP      | Tax Issues                     | Access to Emque restored: gather and analyze data for 2017 tax forms: 1099s, 1065 and other reconstructive accounting.   | 1.8          | \$ 400.00   | 720.00     |
| 01/22/18    | LWP      | Reconstructive Accounting      | Prepare list of potential 1099s to be sent; Request/receive W-9s.  | 2.2          | \$ 400.00   | 880.00     |
| 01/22/18    | LWP      | Tax Preparation                | Prepare 2017 1099s   | 0.5          | \$ 175.00   | 87.50      |
| 01/22/18    | LWP      | Business Operations            | Accounts Payable Salary/Guaranteed Payment schedule analysis   | 0.3          | \$ 400.00   | 120.00     |
| 01/23/18    | LWP      | Business Operations            | Emails with S. Fetner and D. Hartheimer regarding settlement and funds availability.   | 0.2          | \$ 400.00   | 80.00      |
| 01/24/18    | LWP      | Litigation Consulting          | Telephone call with D. Hartheimer re: forensic accounting and data analysis  | 0.5          | \$ 400.00   | 200.00     |
| 01/29/18    | LWP      | Tax Issues                     | Telephone call with D. Hartheimer re: 1099s, tax analysis, and forensic accounting   | 0.3          | \$ 400.00   | 120.00     |
| 01/29/18    | LWP      | Litigation Consulting          | Telephone call with D. Hartheimer and S. Mayerson re: litigation issues and forensic accounting  | 0.5          | \$ 400.00   | 200.00     |
| 02/02/18    | LWP      | Reconstructive Accounting      | Prepare financial statements for 2017 tax returns  | 1.4          | \$ 400.00   | 560.00     |
| 02/02/18    | LWP      | Tax Preparation                | Input of 2014 1065/ NY IT-204 & NYC as prepared; then amended with tax scenario 1  | 3.6          | \$ 175.00   | 630.00     |

| <u>Date</u>                                 | <u>Category</u>                       | <u>Description of Work Performed</u>  | <u>Hours</u> | <u>Rate</u> | <u>Fee</u>          |
|---|---------------------------------------|---|--------------|-------------|---------------------|
| 02/03/18                                    | LWP<br>Tax<br>Preparation             | Continued amendment of 2014 1065/ NY IT-204 & NYC ; tax scenario 1                          | 1.7          | \$ 175.00   | 297.50              |
| 02/04/18                                    | LWP<br>Tax<br>Preparation             | Input of 2015 1065/ NY IT-204 & NYC as prepared; then amended with tax scenario 1           | 3.9          | \$ 175.00   | 682.50              |
| 02/05/18                                    | LWP<br>Tax<br>Preparation             | Continued amendment of 2015 1065/ NY IT-204 & NYC with tax scenario 1                       | 2.1          | \$ 175.00   | 367.50              |
| 02/13/18                                    | LWP<br>Reconstructive<br>Accounting   | Analyze customer deposits, revenue recognition, percentage of completion.                   | 3.6          | \$ 400.00   | 1,440.00            |
| 02/13/18                                    | LWP<br>Case<br>Administration         | Preparation of the January 2018 Monthly Operating Report.                                   | 1.2          | \$ 400.00   | 480.00              |
| 02/13/18                                    | LWP<br>Tax<br>Preparation             | Continued preparation of tax returns - Domestic Production Activities Deductions            | 1.5          | \$ 175.00   | 262.50              |
| 02/14/18                                    | LWP<br>Tax<br>Preparation             | Input as filed, then prepare 2016 Amended 1065, IT-204, and NYC-204 Tax Returns             | 3.1          | \$ 175.00   | 542.50              |
| 02/14/18                                    | LWP<br>Tax<br>Preparation             | Prepare 2017 1065, IT-204, and NYC-204 Tax Returns  | 2.9          | \$ 175.00   | 507.50              |
| 02/14/18                                    | LWP<br>Tax<br>Preparation             | Prepare 2015 Amended 1065, IT-204, and NYC-204 Tax Returns; tax scenario 2                  | 1.9          | \$ 175.00   | 332.50              |
| 02/15/18                                    | LWP<br>Case<br>Administration         | Revisions to January MOR  | 0.2          | \$ 175.00   | 35.00               |
| 02/16/18                                    | LWP<br>Tax<br>Preparation             | Prepare 2014 Amended 1065, IT-204, and NYC-204 Tax Returns; tax scenario 2                  | 3.3          | \$ 175.00   | 577.50              |
| 02/17/18                                    | LWP<br>Tax<br>Preparation             | Continued preparation of 2015 Amended 1065, IT-204, and NYC-204 Tax Returns; tax scenario 2 | 2.2          | \$ 175.00   | 385.00              |
| 02/18/18                                    | LWP<br>Tax<br>Preparation             | Continued preparation of 2017 1065, IT-204, and NYC-204 Tax Returns; tax scenario 2         | 1.5          | \$ 175.00   | 262.50              |
| 02/19/18                                    | RBP<br>Tax<br>Preparation             | Analyzed capital accounts   | 2.2          | \$ 175.00   | 385.00              |
| 02/20/18                                    | RBP<br>Tax<br>Preparation             | Analyzed Tax Returns balance sheet accounts   | 1.4          | \$ 175.00   | 245.00              |
| 02/20/18                                    | LWP<br>Tax<br>Preparation             | Prepare 2016 Amended 1065, IT-204, and NYC-204 Tax Returns; tax scenario 2                  | 3.1          | \$ 175.00   | 542.50              |
| 02/20/18                                    | LWP<br>Employment/<br>Fee Application | Emails with D. Harthheimer re: UST requested revisions                                      | 0.1          | \$ 400.00   | 40.00               |
| 02/21/18                                    | LWP<br>Tax<br>Preparation             | Edits of 2014-2017 1065, IT-204, NYC-204  | 2.6          | \$ 175.00   | 455.00              |
| 02/21/18                                    | RBP<br>Tax<br>Preparation             | Proposed edits to K-1s  | 1.2          | \$ 175.00   | 210.00              |
| 02/22/18                                    | RBP<br>Tax<br>Preparation             | Proposed changes to goodwill  | 0.8          | \$ 175.00   | 140.00              |
| 02/22/18                                    | LWP<br>Tax Issues                     | Meeting with D. Harthheimer and S. Mayerson to review proposed tax presentation.            | 2.0          | \$ 400.00   | 800.00              |
| 02/26/18                                    | LWP<br>Employment/<br>Fee Application | Emails with D. Harthheimer re: UST requested revisions                                      | 0.1          | \$ 400.00   | 40.00               |
| <b>Total For Fee Period</b>                 |                                       |   | <b>84.3</b>  |             | <b>\$ 24,787.50</b> |
| Total for Laura W. Patt (LWP)               |                                       |   | 5.6          | \$          | 980.00              |
| Total for Rumbi Bwerinofa-Petrozzello (RBW) |                                       |   | 78.7         |             | \$ 23,807.50        |